

Regulatory Challenges to Renewables Development

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Developing Renewable Energy:
Bringing Wall Street and Renewable
Technologies Together

Issues for States

- Meeting Renewable Portfolio Standard Requirements
- Need for Additional Transmission
- Cost Allocation Issues for Additional Transmission
- Planning for Decommissioning Wind Projects

Renewable Portfolio Standard Requirements

- Upper Midwest is typical of other regions in the country - Some states have RPS requirements, other states have voluntary goals
- However, due to rich wind resources, there are many more projects being proposed in the upper Midwest than are required by the present State RPS requirements and voluntary goals

Comparisons

- End of 2007, Minnesota had approximately 1300 MW of Wind Capacity in place and needed approximately 6000 MW of additional wind to meet 2025 requirements.
- Approximately 24,000 MW of wind projects are in the MISO queue in Minnesota, 8,000 MW in ND, and 11, 000 MW in SD

Need for Additional Transmission

- Additional Long Distance, High Voltage Transmission is needed to access Wind Resources – 345 kV and 765 kV lines
- ND has sited 855 MW of wind mainly adding short segments of 230 kV line – another 500 MW of wind capacity is before the Commission at this time. (Pockets of wind have found space on the existing transmission system)

Cost Allocation Issues for Additional Transmission

- Customers should only pay their fair share of costs of new transmission
- Is it cheaper for customers to use a lower capacity wind resource near their homes or use a higher capacity wind resource with higher transmission costs?
- Several states already have passed laws which allow for passing along costs of state and regional transmission projects without going through a rate case

Planning for Decommissioning of Wind Projects

- ND has approved rules, effective Oct. 1, 2008
- Provide for removal of wind turbines, and reclamation of wind farm sites
- Allows the Commission to require a bond after project is 10 years old
- Puts responsibility for decommissioning on company - lets company know up front what will be expected
- Intent is to prevent thousands of abandoned wind turbines in our beautiful state

Other State Regulatory Issues that Face Wind Developers

- Timing – filing siting application with state and making arrangements with contractors
- Wind Turbine Availability
- Community Based Wind – finding way through process of interconnection studies, state application procedures, and transmission cost allocation issues

Questions?

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